

Central Intelligence Agency

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Washington, D.C. 20505

## DIRECTORATE OF INTELLIGENCE

4 February 1983

Japan: The Political Situation [redacted]

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Prime Minister Nakasone faces several challenges to his government during the current Diet session. His positions on Japan's defense role, on transfer of defense technology to the United States, and on constitutional reform are only a few of the policies for which he has come under attack both in the Diet and in the press. He is not backing away from the challenges, however, and may in fact be trying to throw the opposition parties off balance by crowding the political agenda with contentious issues. So far, his assertive, straightforward style has helped him carry off this strategy. [redacted]

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The Opposition Challenges . . .

The government has a heavy schedule in the Diet, beginning with passage of the FY 1983 budget; it should go into effect on 1 April, when the Japanese fiscal year begins. There are issues that may delay budget deliberations, however:

- Nakasone's Washington pledge for greater cooperation with the United States on defense has brought cries of protest

This memorandum, requested by James Murphy, Assistant Special Trade Representative, was prepared [redacted] Japan Branch, Northeast Asia Division, Office of East Asian Analysis. Information available as of 3 February 1983 was used in its preparation. Comments and queries are welcome and may be directed to the Chief, Japan Branch, Northeast Asia Division, OEA, on [redacted]

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from leftwing parties and the press.

-- Questions on Nakasone's defense policy and accusations that Japan will become entangled in the US global military strategy have already been a major feature of opposition Diet tactics. [ ]

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The opposition parties have also criticized the government's agreement in principle to exchange defense technology with the United States. Nakasone's intervention led to a decision on this issue, and the opposition is attacking him for violating Japan's ban on arms exports. Even when Diet debate focuses on the budget, we believe the opposition will continue to address the defense issue, criticizing increases in defense spending--also the result of direct intervention by the Prime Minister--especially in view of the limits placed on spending for social programs. [ ]

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In his policy speech to the Diet on 24 January, Nakasone said that he will pursue fiscal and administrative reform, beginning with reform of the public corporations. The opposition parties will challenge him on this issue. The Japan Socialist Party in particular is concerned about reform of the Japan National Railway. The gradual return of the national railways to the private sector--the goal of the reform effort--would weaken the powerful public sector rail union, a mainstay of Sohyo, the labor federation that supports the Socialists. [ ]

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Nakasone's call for open discussion and review of the constitution has been another target for opposition attacks in the Diet. The opposition parties are concerned about revision of the "war renouncing" Article 9. Revision of the constitution has been part of the ruling Liberal Democratic Party (LDP) platform for years, but for the first time it was included in the resolution issued at the end of the party convention, held on 22 January. [ ]

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Nakasone's association with former Prime Minister Tanaka could also threaten his government. On 26 January the prosecutor in Tanaka's trial for involvement in the Lockheed bribery scandal recommended that he be fined and sentenced to the maximum prison term of five years. The opposition parties are trying to formulate a joint resolution calling for Tanaka to leave the Diet. They also plan a joint campaign to attack the Nakasone administration, which they allege is controlled by Tanaka: six of Nakasone's 20 Cabinet ministers are Tanaka faction members, and several others have ties to him. Bitterness toward the powerful Tanaka is strong among the nonleadership factions in the LDP, and we believe party unity might not hold if a resolution to expel him came to a vote. A split LDP vote on this issue could

damage the very structure of the party and thus shake the Nakasone government. [ ]

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...but Nakasone Stands Firm

Nakasone's personality will help him meet the challenges ahead. His responses to tough questioning in the Diet have been confident, informed, and straightforward. His approach to controversial questions, unlike that of his predecessor, has been bold and decisive, and the opposition parties have failed to back him into a corner on any issue. [ ]

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Another advantage he has is his power to dissolve the lower house. He has warned that if opposition party boycotts or stalling tactics delay government activity too long, he will call for general elections. The opposition parties expect lower house elections this summer but are not prepared for them now. [ ]

Nakasone has other assets. Although his statements on increasing Japan's defense effort aroused strong protest at home, the heavy-handed Soviet response diverted some media criticism to Moscow. Some LDP members could break ranks on the Tanaka resolution, but a serious move in that direction might prompt Nakasone to dissolve the Diet. The LDP factions that oppose Tanaka could lose seats because they are not as well prepared for elections now as are the Nakasone, Tanaka, and Suzuki factions. This, as well as the need for party unity before the already scheduled local elections in April and upper house elections in late June or early July could keep Nakasone's critics in the party in line on the Tanaka issue. [ ]

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We believe a unified resolution calling for Tanaka's resignation may not even come to a vote. The centrist parties are reluctant to join with the Japan Communist Party in a joint resolution. The opposition parties' usual inability to work together may thus stop the resolution before it reaches the floor. The opposition parties also have a history of making deals with the LDP. It is possible that in exchange for an agreement to discuss repeal of the wage freeze for government employees, for example, the Socialists would agree to postpone introducing the resolution. [ ]

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Prospects

So far the Prime Minister has given every indication that he will not back away from his vigorous approach to fiscal and security problems, as well as to those caused by international pressure on trade. In fact, he has said he intends to lead the process of forming a national consensus on such difficult issues as constitutional reform and an increased defense effort. He

will probably have support from Chief Cabinet Secretary Gotoda and LDP Secretary General Nikaido, both of whom are skillful conciliators. With their backing, as well as that of former Prime Ministers Tanaka and Suzuki, and by the force of his personality, he may well maintain control of the Diet throughout the current session. The Tanaka case is unprecedented, however, and could still damage him. [REDACTED]

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(3 February 1983)

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